

YEAR 2006

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PUBLIC SERVICE
COMMISSION

ANNUAL REPORT

OF THE

NAME ROCKY CLIFF ESTATES WATER SYSTEM

LOCATION ROCKY CLIFF ESTATES SUBDIVISION
KALISPELL MONTANA

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING 12-31-2006

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
2. Interpret all accounting words or phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable or NA". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. Complete this report by means which result in a permanent record.
7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
8. This report should be filled out in duplicate and one copy returned within 2 1/2 months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission
Utility Division
2701 Prospect Avenue
Helena, Montana 59620

TABLE OF CONTENTS

SCHEDULE	PAGE	
Identification	2	
Income Statement	3	
Balance Sheet	4	
Contributions in Aid of Construction	5	
Accumulated Depreciation & Amortization of Utility Plant	5	
Capital Stock	6	
Retained Earnings	6	
Proprietary Capital	6	
Long Term Debt	6	
Water Utility Plant Accounts	7	
Analysis of Accumulated Depreciation by Primary Account	8	
Payments For Services Rendered By Other Than Employees	9	
Water Operation and Maintenance Expense	9	
Water Customers	10	
Operating Statistics	10	

REPORT OF

ROCKY CLIFF ESTATES WATER SYSTEM

(Exact Name of Utility)

100 FINANCIAL DR STE 110 KALISPELL MT 59901

(Address) (City, State, Zip Code)

For Year Ended 12-31-2006

Date Utility First Organized 6-2-2005

Telephone Number 406-755-2445

Location where books and records are located 100 FINANCIAL DR STE 110, KALISPELL MT

Contracts:			
Name	Title	Principal Business Address	Salary
JOHN SCHWARZ Person to send correspondence:	PRESIDENT	100 FINANCIAL DR STE 110 KALISPELL MT 59901	XXXXXXXX
KEVIN FREY Person who prepared this report:	CONTROLLER	100 FINANCIAL DR STE 110 KALISPELL MT 59901	XXXXXXXX
Officers & Managers:			\$
JOHN SCHWARZ	PRESIDENT	100 FINANCIAL DR STE 110 KALISPELL MT 59901	\$ NONE FOR UTILITY
			\$
			\$
			\$
			\$

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
JOHN SCHWARZ	100	100 FINANCIAL DR STE 110 KALISPELL MT 59901	\$ NONE
			\$
			\$

INCOME STATEMENT

Account Name	Current Year <i>2006</i>	Previous Year <i>2005</i>
GROSS REVENUE:		
Metered		
Residential	<i>24613</i>	<i>15100</i>
Commercial		
Industrial		
Other		
Unmetered		
Residential		
Commerical		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
<u>TOTAL GROSS REVENUE</u>	<i>24613</i>	<i>15100</i>
Operation and Maintenance Expense	<i>24980</i>	<i>19538</i>
<u>Depreciation Expense</u>		
<u>Taxes Other Than Income</u>		
<u>Income Taxes</u>		
<u>Deferred Federal Income Taxes</u>		
<u>Deferred State Income Taxes</u>		
<u>TOTAL OPERATING EXPENSE</u>	<i>24980</i>	<i>19538</i>
<u>NET OPERATING INCOME (LOSS)</u>	<i>< 367 ></i>	<i>< 4438 ></i>
Other Income:		
<u>Non-Utility Income</u>		
Other Deductions:		
<u>Non-Utility Expenses</u>		
<u>Interest Expense</u>		
<u>NET INCOME (LOSS)</u>	<i>< 367 ></i>	<i>< 4438 ></i>

COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR ²⁰⁰⁶	PREVIOUS YEAR ²⁰⁰⁵
Assets:		
Utility Plant In Service		
Accumulated Depreciation and Amortization		
Net Utility Plant		
Cash	<17804>	<11438>
Customer Account Receivable	<1>	
Other Assets (Specify) <i>WATER SYSTEM</i>	13000	7000
Total Assets	<4805>	<4438>
Liabilities an Capital:		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings	<4805>	<4438>
Proprietary Capital		
Total Capital	<4805>	<4438>
Long Term Debt		
Accounts Payable		
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction		
Total Liabilities and Capital	<4805>	<4438>

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year <i>2006</i>	Previous Year <i>2005</i>
Balance First of Year		
Credits During Year		
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify)		
Total Credits		
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
Balance End of Year		

NONE

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report below all contractor and developer agreements and line extension agreements from which cash or property was received during the year	Indicate "Cash or Property"	Amount
Total During Year		

NONE

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	
State	
Total Accumulated Deferred Income Taxes	

NONE

CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share		
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		
Dividends declared per share for year		

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year	< 4438 >	
Changes during year (Specify): <i>LOSS FOR 2006</i>	< 367 >	
Balance end of year	< 4805 >	

PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year		
Changes during year (specify):		
Balance end of year		

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
Total			

WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
302	Franchises				
303	Land & Land Rights				
304	Structures and Improvements				
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Tranmission and Distribution Mains				
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop & Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant				

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

ACCT. NO.	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements		%	%				
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Inakes		%	%				
307	Wells and Springs		%	%				
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installation		%	%				
335	Hydrants		%	%				
339	Other Plant & Misc. Equip.		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop & Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
Totals								

NOTE

WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pensions and Benefits	
Purchased Water	
Purchased Power	792
Fuel For Power Production	
Chemicals	
Materials and Supplies	8387
Contractual Services	11157
Rents	2250
Transportation Expense	
Insurance Expense	1533
Regulatory Commission Expense	
Bad Debt Expense	23
Miscellaneous Expense	838
Total	24980

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar services rendered the respondent for which the aggregate payments during the year to any corporation, partnership, individual or organization of any kind whatever, amounting to \$500. or more. Utilities having revenue in excess of \$100,000 should report amounts of \$5,000 or more.

[illegible]

SOURCES OF WATER SUPPLY

Surface Water: River _____ Lake _____ Stream _____ Impounding Res. _____
 Ground Water: Springs No. _____ Shallow Wells No. _____ Deep Wells No. 2

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
4"	5250		5250				5250
3"	205		205				205
Total	5455		5455				5455

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs N/A Capacity in Gallons N/A
 Number of Standpipes N/A Capacity in Gallons N/A
 Method of Purification N/A

SERVICES AND METERS

Services
 1/2 in. _____ 5/8 in. _____ 1 in. 27 _____ 1 1/2 in. _____ 2 in. _____ 3 in. _____ 4 in. _____ 6 in. _____

 Meters
 _____ 27 _____

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

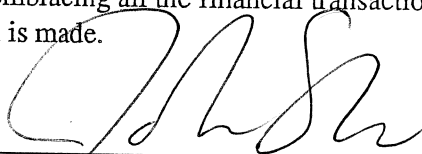
Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	14		14			27	13
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	14		14			27	13

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year 5378000 gals.
 Maximum Water obtained all methods during any one day 39113 gals.
 Minimum Amount of Water obtained all methods during one day 1706 gals.
 Total Amount of Water passed through customers meters during year 4530100 gals.
 Range of ordinary pressure on mains 45 lbs. to 65 lbs.
 Range of fire pressure in mains N/A lbs. to N/A lbs.

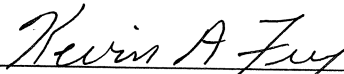
STATE OF MONTANA)
County of FLATHEAD)

We, the undersigned, on our oath do severally say that the foregoing return the ROCKY CLIFF ESTATES WATER SYSTEM, water utility, has been prepared under our direction from the original books, papers and records of said utility and declare the same to be a full, true and correct statement embracing all the financial transactions of said utility during the period for which the return is made.



JOHN SCHWARZ, PRESIDENT

Subscribed and sworn to before me this 27TH day of APRIL, ~~19~~ 2007.



KEVIN A FREY
NOTARY PUBLIC FOR
THE STATE OF MONTANA
RESIDING AT KALISPELL MT
MY COMMISSION EXPIRES
JUNE 23, 2010

